Effective Risk Management
For
Telecommunications Sector

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RISK MANAGEMENT

The protection of resources, both human and material, against injuries, damage or loss, and maintaining financial stability and business continuity through cost effective methods of protecting assets and earnings.
RISK MANAGEMENT PROCESS

- Identification of Risks
- Evaluation and Measurement of Risk Potential
- Economic Control
SOURCES OF POTENTIAL LOSS

- Accidents/incidents
- Risks to Health
- Damage to Plant & Equipment
- Interruption to Normal Work
- Loss of business
- Adverse Impact on the Environment
TYPES OF RISKS

- **PURE RISK**

- **BUSINESS RISK**
FUNCTIONS OF RISK MANAGEMENT

• **Setup** a **FORMAL SYSTEM** for identifying RISKS
• **Conduct** Physical Risk Assessments & Reviews
• **Define** Responsibilities
• Establish a Procedure for **Review**
RESPONSIBILITIES OF THE RISK MANAGER

- Monitor & improve management of risks
- Identify & analyse loss exposures
- Promote awareness
- Minimise the total cost of risks
- Establish & maintain a safe, secure, & healthy working environment
- Improve & integrate environmental performance in business process
- Promote effective business continuity
- Secure the most cost-effective RM
RISK MANAGEMENT POLICY

The Company is committed to best practice in risk management at each level of Management and different areas & divisions, through the identification, evaluation, and management of risks that threaten the business.

Managing operational risks is an integral component of an overall management process; it provides an efficient process for the protection of lives, assets, revenue and the environment.

The risk management process supports better decision-making for future growth by contributing a greater understanding of undesired or unexpected outcomes.
ELEMENTS OF RISK MANAGEMENT FUNCTION

- Established Occupational Health, Safety & Environment Function
- Organised Industrial Security
- Proactive Insurance Management
- Network Restoration & disaster Recovery Plans (Network Resilience)
- Business Continuity Planning
RISK MANAGEMENT STRATEGY

• Define objectives
  – Where are we now?
  – Where do we want to be?
  – How do we get there?

• Base RM Policy on objectives

• Define methods to attain objectives

• Define critical activities

• Plan critical activities & obtain resources
RISK MANAGEMENT POLICY

• Written; sign by CEO & Supported by the Board
• Top level advise to the Board
• Specify means of implementation
• Set out “Critical Success Factors”
• Commit to evaluate performance
IMPLEMENTATION OF RM

• Define & Assign responsibilities to all levels of the Organisation (Directors through to Employees)

• Responsibilities of Risk Manager
  – Define & Develop process
  – Mutually agree Critical Success Factors
  – Define Critical Activities at each level
  – Develop key performance indicators
HOW TO CONTROL RISKS

• Prioritise the most critical of activities
• Compile Risk Inventory by Processes, Equipment, Substances & others
• Develop Workplace Precautions
• Maintain Workplace Health, Safety & Environment standards
HOW TO MAKE RISK MANAGEMENT WORK?

• Linking KPIs to rewards?
• Behaviour approach to RM
• Involve everyone
• Extrinsic Rewards - salary, bonuses
• Intrinsic Rewards - praise, job titles, status
EFFECTIVE RISK MANAGEMENT

• Periodical Planned Audit Programme (Physical Risk Assessments - IRR/ORR)
• Measure performance against Critical Success Factors
• Be dynamic to business and operations changes
• Emphasise ownership & define responsibilities
• Establish a procedure for review
OBJECTIVES OF OPERATIONAL RISK REVIEW (ORR)

• Provide quantitative measurement of the extend to which risks are managed in the Organisation

• Identify risk exposures & provide guidance to introduce appropriate risk controls

• Provide insurers the information needed to suitably underwrite the risks to be insured
RISK AREAS COVERED BY ORR

- Corporate Risk Management
- Property Loss Control
- Health, Safety & Physical Security
- Business Continuity Planning
- Irregular Network Access
- Environmental Management
- Regulatory & Contractual Risks
- Financial Risk Management
- Information Security
- Insurance Claims Management
Thank You

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